



Paul R. Bessette
Tel: 877.557.7250
Tel: 512.320.7250
Cell: 512.940.6250
bessettep@gtlaw.com

July 30, 2010

Chambers of the Honorable Dora L. Irizarry
United States District Court
225 Cadman Plaza East
Brooklyn, NY 11201

Re: *Securities and Exchange Commission ("SEC") v. Spongetech Delivery Systems, et al.* (10-CV-2031) (DLI)

Dear Judge Irizarry:

On July 20, 2010, we, as counsel for Michael Metter, submitted a Suggestion of Bankruptcy [Docket No. 92], informing the Court that Spongetech Delivery Systems, Inc. ("Spongetech"), a defendant in this case, filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York. That same day, the United States Securities and Exchange Commission (the "SEC") filed a letter [Docket No. 93] (the "SEC Letter") to the Court withdrawing its requests for a receiver and asset freeze over Spongetech. The SEC Letter also stated that this case is not stayed.

The Court, on July 22, 2010, entered a scheduling order setting a status conference for July 30, 2010 to discuss the relation of this case to the class action and bankruptcy matters pending in the Southern District of New York and why venue is or is not proper in the Eastern District of New York. The Court also directed defendants to respond to the SEC Letter by July 27, 2010.

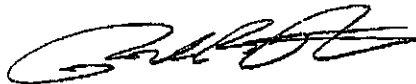
On July 27, 2010, we filed a letter [Docket No. 104] (the "Metter Letter") in response to the SEC Letter, stating that Mr. Metter's view on the effect of the automatic stay is consistent with the SEC's -- this case is not stayed in its present form. The Metter Letter also requested a transfer of venue to the Southern District of Texas. No other responses were filed in response to the Court's scheduling order.

Subsequent to the filing of the Metter Letter, we have conferred with the SEC regarding the stay and venue. The SEC and Mr. Metter do, in fact, agree on the automatic stay's effect. Further, Mr. Metter would like to withdraw his request for a transfer of venue. Thus, the parties have addressed and agreed on the issues specifically raised by the Court as the subject matter of the status conference today. The parties who originally planned to attend the status conference, however, are still prepared to do so if the Court would like to discuss these or other matters. Mr.

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Metter's counsel has conferred with counsel for the SEC and Messrs. Moskowitz, Pensley, Halperin, and Spongetech and they agree with the positions stated in this letter.

Respectfully submitted,



Paul R. Bessette

PRB/cmc

cc: Jeffrey Tao, counsel for the SEC
Henry Sewell, proposed counsel for Chapter 11 Trustee of Spongetech Delivery Systems, Inc.
Michael Bachner, counsel for Mr. Moskowitz
Roger Fidler, counsel for Mr. Pensley
Chad Cagan, counsel for Mr. Halperin